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**Condensed Consolidated Interim Financial Statements
Three Months Ended July 31, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited)**

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NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of the Company for the three months ended July 31, 2019 and comparatives for the three months ended July 31, 2018 were prepared by management and have not been reviewed or audited by the Company's auditors.

Southern Silver Exploration Corp.
(An Exploration Stage Company)
Consolidated Statements of Comprehensive Loss
Three Months Ended July 31, 2019 and 2018
(Expressed in Canadian Dollars, Unaudited)

	Note	2019	2018
Expenses			
Administration	7	\$ 15,000	\$ 15,000
Consulting	7 & 8	55,113	73,223
Exploration and evaluation	5 & 7	2,407	27,410
Investor relations	7	83,392	114,527
Office and general	7	4,845	5,028
Professional fees	7	22,633	9,805
Regulatory fees and taxes		17,155	15,551
Share-based payments	8	-	11,599
Shareholders' communications		1,400	2,287
Transfer agent		2,048	1,800
Travel and promotion		-	4,442
		203,993	280,672
Foreign exchange (gain) loss		(5,198)	1,952
Other income		-	(4,586)
Share of loss in equity accounted investment	6	141,331	417,176
		136,133	414,542
Net Loss and Comprehensive Loss for the Period		\$ 340,126	\$ 695,214
Loss per share - basic and diluted		\$ 0.00	\$ 0.01
Weighted average number of common shares outstanding		98,372,519	96,584,600

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars, Unaudited)

As at	Note	July 31, 2019	April 30, 2019
Current Assets			
Cash	\$	470,790	\$ 376,439
Taxes and other receivables		114,575	92,101
Prepays		24,875	7,342
		610,240	475,882
Non-Current Assets			
Mineral properties	5	231,732	218,447
Investment in associate	6	4,306,259	4,315,120
		4,537,991	4,533,567
	\$	5,148,231	\$ 5,009,449
Current Liabilities			
Accounts payable and accrued liabilities	\$	274,672	\$ 279,359
Due to related parties	7	52,709	30,664
		327,381	310,023
Equity			
Share capital	8	38,194,112	37,645,662
Share-based payments reserve		1,700,564	1,700,564
Warrants reserve		844,256	931,156
Other reserve		9,270	9,270
Deficit		(35,927,352)	(35,587,226)
		4,820,850	4,699,426
	\$	5,148,231	\$ 5,009,449

Approved on behalf of the Board

"Lawrence Page"

Lawrence Page, Q.C.

"Eugene Spiering"

Eugene Spiering

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Changes in Equity

Three Months Ended July 31, 2019 and 2018

(Expressed in Canadian Dollars, Unaudited)

	Share Capital		Share-based			Deficit	Total
	Number of Shares	Amount	Payments Reserve	Warrants Reserve	Other Reserve		
Balance as at April 30, 2018	96,463,948	\$ 37,611,615	\$ 1,578,156	\$ 931,156	\$ 9,270	\$ (33,095,276)	\$ 7,034,921
Issued							
For services	100,000	20,000	-	-	-	-	20,000
Exercise of warrants	100,000	15,000	-	-	-	-	15,000
Share issue costs	-	(593)	-	-	-	-	(593)
Share-based payments	-	-	11,599	-	-	-	11,599
Net loss	-	-	-	-	-	(695,214)	(695,214)
Balance as at July 31, 2018	96,663,948	\$ 37,646,022	\$ 1,589,755	\$ 931,156	\$ 9,270	\$ (33,790,490)	\$ 6,385,713
Balance as at April 30, 2019	96,663,948	\$ 37,645,662	\$ 1,700,564	\$ 931,156	\$ 9,270	\$ (35,587,226)	\$ 4,699,426
Issued							
Exercise of warrants	3,860,000	329,800	-	-	-	-	329,800
Subscriptions received	-	132,500	-	-	-	-	132,500
Share issue costs	-	(750)	-	-	-	-	(750)
Fair value of warrants exercised	-	86,900	-	(86,900)	-	-	-
Net loss	-	-	-	-	-	(340,126)	(340,126)
Balance as at July 31, 2019	100,523,948	\$ 38,194,112	\$ 1,700,564	\$ 844,256	\$ 9,270	\$ (35,927,352)	\$ 4,820,850

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Southern Silver Exploration Corp.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Cash Flows
Three Months Ended July 31, 2019 and 2018
(Expressed in Canadian Dollars, Unaudited)

	2019	2018
Operating Activities		
Net loss	\$ (340,126)	\$ (695,214)
Items not involving cash:		
Share of loss in equity investment	141,331	417,176
Share-based payments	-	11,599
Shares issued for services	-	20,000
Unrealized foreign exchange loss (gain)	671	(1,054)
	(198,124)	(247,493)
Changes in non-cash working capital		
Taxes and other receivables	(22,474)	13,914
Prepays	(17,533)	(4,006)
Accounts payable and accrued liabilities	(4,687)	3,738
Due to related parties	22,045	(11,257)
	(22,649)	2,389
Cash Used in Operating Activities	(220,773)	(245,104)
Investing Activities		
Mineral property acquisition	(13,285)	(39,132)
Cash Used in Investing Activities	(13,285)	(39,132)
Financing Activities		
Proceeds from share issuance, net	329,050	14,407
Share subscriptions received	132,500	-
Advances to associate, net	(132,470)	(672,231)
Cash Provided by (Used in) Financing Activities	329,080	(657,824)
Foreign Exchange Effect on Cash	(671)	465
Increase (Decrease) in Cash During the Period	94,351	(941,595)
Cash, Beginning of Period	376,439	2,060,490
Cash, End of Period	\$ 470,790	\$ 1,118,895

Supplemental cash flow information (Note 9)

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2019 and 2018

(Expressed in Canadian Dollars, Unaudited)

1. Nature of Operations and Going Concern

Southern Silver Exploration Corp. (the "Company") is an exploration stage company incorporated under the laws of British Columbia, Canada. The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third party option and/or joint venture agreements. The Company's registered office is 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from their sale. The carrying value of the Company's mineral properties does not reflect present or future value.

These condensed consolidated interim financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at July 31, 2019 the Company had working capital of \$282,859 (April 30, 2019 - \$165,859). The Company incurred a net loss of \$340,126 for the three months ended July 31, 2019 (2018 - \$695,214) and had an accumulated deficit of \$35,927,352 as at July 31, 2019 (April 30, 2019 - \$35,587,226).

The Company has relied mainly upon the issuance of share capital and mineral property earn-in agreements to finance its activities. The Company will be required to rely on such funding to finance future exploration and administrative activities. There can be no assurance that further financing will be available to the Company and, therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of Preparation and Consolidation

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* on a historical cost basis, except for cash flow information and financial instruments measured at fair value. The financial statements of the Company consolidates entities controlled and equity accounts entities partially-owned by the Company as:

Entity	Country of Incorporation	Principal Activity
Southern Silver Holdings Limited ("SSHL")	British Virgin Islands	Holding company - 40% owned by the Company
Minera Plata del Sur S.A de C.V. ("MPS")	Mexico	Mineral exploration - 100% owned by SSHL
Southern Silver Projects Limited ("SSPL")	British Virgin Islands	Holding company - 100% owned by the Company
Exploraciones Magistral S.A de C.V.	Mexico	Mineral exploration - 100% owned by SSPL
Southern Silver Exploration Corp. (US)	United States of America	Mineral exploration - 100% owned by the Company

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2019 and 2018

(Expressed in Canadian Dollars, Unaudited)

2. Basis of Preparation and Consolidation, continued

All inter-company transactions and balances have been eliminated upon consolidation. The Company's functional and presentation currency is the Canadian dollar.

These condensed consolidated interim financial statements do not include all of the information required for complete annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended April 30, 2019.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on September 30, 2019.

3. Summary of Significant Accounting Policies

The same accounting policies are used in the preparation of these condensed consolidated interim financial statements as for the most recent audited annual consolidated financial statements and reflect all the adjustments necessary for fair presentation in accordance with International Financial Reporting Standards of the results for the interim periods presented.

4. Financial Instruments

The Company's financial instruments include: cash and other receivables which are classified as financial assets at amortized cost and accounts payable and accrued liabilities and due to related parties which are classified as financial liabilities at amortized cost.

The carrying values of other receivables, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity.

5. Mineral Properties

Mineral property acquisition costs as at July 31, 2019 were as:

	Oro	Total
	\$	\$
Balance as at April 30, 2018	126,166	126,166
Additions, net	92,281	92,281
Balance as at April 30, 2019	218,447	218,447
Additions, net	13,285	13,285
Balance as at July 31, 2019	231,732	231,732

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2019 and 2018

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Properties, continued

(a) Oro - New Mexico, USA

The property consists of certain unpatented mining claims in the Eureka Mining District, Grant County, New Mexico, eight patented lode mining claims, which are adjacent to these claims, and surface rights to a contiguous property.

The property is subject to a 2% NSR payable to the optionors whom have granted the Company an option to purchase the NSR at any time in 0.5% increments at US \$500,000 for each increment.

Pursuant to a lease with option to purchase agreement dated May 1, 2011, as amended, the Company can earn a 100% interest in six unpatented lode mining claims also located in the Eureka Mining District, Grant County, New Mexico. Remaining lease payments are due as:

- (i) US \$10,000 on or before May 1, 2019 (paid);
- (ii) US \$20,000 on or before November 30, 2019;
- (iii) US \$30,000 annually from May 1, 2020 to May 1, 2024; and
- (iv) US \$60,000 annually from May 1, 2025 to May 1, 2031.

The Company can purchase the property at any time by paying any amounts remaining under the lease, subject to a 1% NSR payable to the optionors, which terminates when aggregate payments thereunder equal US \$500,000.

(b) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the three months July 31, 2019 and 2018 were:

	Oro		Total	
	\$	\$	\$	\$
	2019	2018	2019	2018
Assays and geochemistry	-	151	-	151
Geological and geophysics	-	24,340	-	24,340
Project supervision	2,407	2,919	2,407	2,919
	2,407	27,410	2,407	27,410

6. Investment in Associate

Pursuant to an earn-in agreement completed in November 2016, Electrum Global Holdings L.P. ("Electrum") owns 60% of SSSL with the Company owning the remaining 40%.

MPS, a wholly-owned subsidiary of SSSL, holds title to the Cerro Las Minatas property which consists of twenty five mineral concessions located in Durango, Mexico.

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(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2019 and 2018

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6. Investment in Associate, continued

Following the earn-in period, each SSSL shareholder is to proportionately participate in all exploration and associated costs related to the development of Cerro Las Minitas in accordance with their respective participating interest or have their participating interest diluted in accordance with an applicable dilution formula. If a participating interest is diluted to less than 10%, that interest will be surrendered in exchange for a 2% NSR.

As the Company retained a 40% interest and is able to exert significant influence, SSSL is considered to be an associate as at July 31, 2019 and April 30, 2019. The interest is accounted for as an investment in an associate using the equity method as:

	July 31, 2019	April 30, 2019
Balance as at May 1,	\$ 4,315,120	\$ 5,028,583
Advances to associate	132,470	726,153
Share of net loss	(141,331)	(1,439,616)
	\$ 4,306,259	\$ 4,315,120

With respect to Cerro Las Minitas, the Company will be expected to contribute at its participating interest to the following:

- On April 20, 2017, two contiguous concessions were acquired by staking. One of these claims is subject to a finder's fee whereby minimum periodic payments are due on a semi-annual basis accelerating from US \$5,000 to US \$25,000 over a ninety-six month period and a 1% NSR with such periodic payments being credited to NSR payments. Subsequent to payment of US \$5,000,000 in NSR payments the royalty is reduced to 0.5%.
- One additional concession may be acquired if the underlying owner can deliver registered title and by making a payment, excluding applicable local taxes, of US \$200,000.

Summarized financial information for SSSL and MPS after inter-company eliminations is:

	July 31, 2019	April 30, 2019
Current assets (USD)	\$ 126,238	\$ 63,569
Non-current assets (USD)	\$ 2,202,737	\$ 2,202,737
Current liabilities (USD)	\$ 229,976	\$ 165,135
Non-current liabilities (USD)	\$ 11,431,167	\$ 11,417,380
Net loss (USD)	\$ 265,959	\$ 2,742,339

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Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2019 and 2018

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7. Related Party Balances and Transactions

Except as disclosed elsewhere, the Company entered into the following related party transactions:

(a) Pursuant to a service agreement between the Company and a private company controlled by a director and officer of the Company, the Company was charged as:

- \$15,000 (2018 - \$15,000) for office space and general administration services;
- \$9,075 (2018 - \$9,075) for professional services;
- \$4,113 (2018 - \$2,223) for consulting services;
- \$48,070 (2018 - \$49,918) for investor relations services;
- \$158 (2018 - \$670) for geological services;
- \$39,167 (2018 - \$59,629) for geological and professional services (charged to investment in associate); and
- \$340 (2018 - \$259) for the mark-up on out-of-pocket expenses.

Amounts payable as at July 31, 2019 were \$33,284 (April 30, 2019 - \$11,239).

(b) Fees in the amount of \$39,000 (2018 - \$39,000) were charged by a company controlled by a director and officer of the Company. Amounts payable as at July 31, 2019 were \$13,650 (April 30, 2019 - \$13,650).

(c) Fees in the amount of \$nil (2018 - \$nil) were charged by a law firm controlled by a director and officer of the Company and included in professional fees, share issue costs, mineral property expenditures or charged to investment in associate. Amounts payable as at July 31, 2019 were \$nil (April 30, 2019 - \$nil).

(d) Fees in the amount of \$7,500 (2018 - \$7,500) were charged by an officer of the Company for consulting services. Amounts payable as at July 31, 2019 were \$2,625 (April 30, 2019 - \$2,625).

(e) Fees in the amount of \$9,000 (2018 - \$9,000) were charged by an officer of the Company for consulting services and included in consulting fees, mineral property expenditures or charged to investment in associate. Amounts payable as at July 31, 2019 were \$3,150 (April 30, 2019 - \$3,150).

(f) Fees in the amount of \$3,000 (2018 - \$nil) were charged by a director of the Company for consulting services (charged to investment in associate). Amounts payable as at July 31, 2019 were \$nil (April 30, 2019 - \$nil).

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits. Compensation awarded to key management, included in (b), (d), (e) and (f) above, was:

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2019 and 2018

(Expressed in Canadian Dollars, Unaudited)

7. Related Party Balances and Transactions, continued

	2019		2018	
Short-term benefits	\$	58,500	\$	55,500
Share-based payments		-		-
Total	\$	58,500	\$	55,500

One executive officer is entitled to termination benefits in the event of a change of control equal to thirty six months compensation. Upon a change of control, and assuming the triggering event took place on the last business day of the year-end, the estimated payment would be \$468,000.

8. Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(a) Shares for Services

On May 29, 2018, 100,000 common shares were issued as part of a consulting agreement at a fair value of \$0.20 per share.

(b) Share Purchase Warrants

Share purchase warrants outstanding as at July 31, 2019 were:

Exercise Price	Expiry Date	Balance		Balance July 31, 2019
		April 30, 2019	Exercised	
\$0.08	March 4, 2020	1,259,295	-	1,259,295
\$0.08	March 5, 2020	15,884,593	-	15,884,593
\$0.08	March 11, 2020	1,810,000	1,710,000	100,000
\$0.15	June 26, 2020	9,000,000	-	9,000,000
\$0.08	March 4, 2021	6,000,000	-	6,000,000
\$0.08	April 8, 2021	2,300,000	1,850,000	450,000
\$0.15	May 19, 2021	8,962,500	300,000	8,662,500
\$0.55	June 13, 2020	6,372,500	-	6,372,500
\$0.55	August 31, 2020	1,171,750	-	1,171,750
\$0.55	September 29, 2020	1,254,500	-	1,254,500
		54,015,138	3,860,000	50,155,138
Weighted average exercise price		\$0.18	\$0.09	\$0.19
Weighted average remaining life in years		1.31		1.05

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2019 and 2018

(Expressed in Canadian Dollars, Unaudited)

8. Share Capital, continued

(c) Stock Options

Stock options outstanding and exercisable as at July 31, 2019 were:

Exercise Price	Expiry Date	Balance April 30, 2019	Balance July 31, 2019
\$0.08	March 26, 2020	2,218,000	2,218,000
\$0.08	July 29, 2020	650,000	650,000
\$0.08	September 28, 2020	190,000	190,000
\$0.11	April 22, 2021	1,168,500	1,168,500
\$0.30	June 3, 2021	1,625,000	1,625,000
\$0.34	October 2, 2022	2,750,000	2,750,000
\$0.34	February 1, 2023	150,000	150,000
\$0.17	September 27, 2023	800,000	800,000
		9,551,500	9,551,500
Weighted average exercise price		\$0.21	\$0.21
Weighted average remaining life in years		2.34	2.09

(d) Compensation Options

Compensation options outstanding and exercisable as at July 31, 2019 were:

Exercise Price	Expiry Date	Balance April 30, 2019	Balance July 31, 2019
\$0.40	August 31, 2020	105,100	105,100
		105,100	105,100
Weighted average exercise price		\$0.40	\$0.40
Weighted average remaining life in years		1.34	1.09

(e) Fair Value Determination

The total calculated fair value of share-based payments recognized was as:

	2019	2018
Consolidated Statements of Comprehensive Loss		
Directors and officers	\$ -	\$ -
Consultants	-	11,599
Total	\$ -	\$ 11,599

Southern Silver Exploration Corp.

(An Exploration Stage Company)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2019 and 2018

(Expressed in Canadian Dollars, Unaudited)

9. Supplemental Cash Flow Information

	2019	2018
Cash items		
Interest received	\$ -	\$ 4,586
Income tax paid	\$ -	-
Interest paid	\$ -	-

10. Segmented Information

The Company conducts its business as a single operating segment, being the acquisition and exploration of mineral properties. As at July 31, 2019 the Company's non-current assets were located in the British Virgin Islands (\$4,306,259) and in the United States of America (\$231,732).

11. Events After the Reporting Period

Other than disclosed elsewhere, the following events occurred subsequent to July 31, 2019:

- During August 2019, 6,875,000 share purchase warrants exercisable at \$0.08 were exercised for gross proceeds of \$550,000 and 600,000 share purchase warrants exercisable at \$0.15 were exercised for gross proceeds of \$90,000; and
- On August 13, 2019, the Company closed the first tranche of a non-brokered private placement and issued 15,502,500 units at a price of \$0.20 per unit for gross proceeds of \$3,100,500. On September 4, 2019, the Company closed the final tranche of this private placement and issued 5,530,000 units at a price of \$0.20 per unit for gross proceeds of \$1,106,000. Each unit consisted of one common share of the Company and one common share purchase warrant whereby each warrant is exercisable to purchase one common share at an exercise price of \$0.25 for a period of five years.

The Company also issued 861,525 finders' warrants, whereby each warrant is exercisable to purchase one common share at an exercise price of \$0.25 for a period of five years.